



Legislature of the Virgin Islands

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POST AUDIT DIVISION

November 27, 2023

MEMORANDUM:

TO: Honorable Donna A. Frett-Gregory
Chairperson,
Committee on Budget, Appropriations and Finance
35th Legislature of the Virgin Islands

FROM: Post Audit Division

SUBJECT: Lease Agreement

LESSOR: Department of Property & Procurement

LESSEE: Virgin Islands Centre for Architecture, Crafts and Build Heritage,
St. Croix, Inc. d/b/a Virgin Islands Architecture Center for Built
Heritage and Crafts

PREMISES: Plot Nos. 8 Church Street and 21, 22, and 23 Hospital Street,
Christiansted Town, Company Quarter, St. Croix, U.S. Virgin
Islands, consisting of two (2) two-story masonry buildings herein
known as Buildings 1 and 2, residing on 92,347.2 U.S. sq. ft. or 2.12
U. S. acres of improved land more-or-less.

TERM: Fifty (50) year period, with an option to renew for three (3) ten (10)
year periods. The initial lease term commences on the first day of
the month following approval by the Legislature and the Governor
of the Virgin Islands.

PURPOSE: The property will be used to promote the common good, welfare,
and education of the people of the United States Virgin Islands
community on its heritage and cultural legacy.

LEASE SUMMARY

BACKGROUND: The Virgin Islands Centre for Architecture, Crafts and Build
Heritage, St. Croix, Inc. is a local Non-Profit 501(c)(3) whose
purpose is to promote the common good and general welfare of the
people of the United States Virgin Islands.

REQUIRED SUPPORTING DOCUMENTATION

DOCUMENT	EXPIRATION DATE
Business License	501 (C) 3 Letter
Trade Name Registration	8/27/2025
Certificate of Liability Insurance	7/12/2024
Certificate of Good Standing	7/30/2024

PAYMENT TERMS

The Lease requires \$1,200.00 per annum payable in equal monthly installments of \$100.00 due on the first day of each month during the term thereof. After the first (1st) year of the initial term, and every year after that, the rent shall be adjusted in accordance with the Consumer Price Index but not more than 3% over any proceeding year period. At no time will any rent determined in the above manner be reduced below the annual rent of \$1,200.00. A late charge will be assessed after ten (10) days of the due date for an additional ten percent (10%) of the monthly payment.

IMPROVEMENTS

According to the lease terms, the Lessee shall provide the improvements listed below at its own cost and expense, which are estimated to cost approximately Eight Million Four Hundred Dollars (\$8,400,000.00). Improvements to the property include the following:

Phase I: Site Stabilization and A&E Design, during months one (1) through twelve (12):

- a. Site Stabilization: Board up and secure structures;
- b. Architect, engineering, and advisors;
- c. Project Management;
- d. Deconstruction and refurbish archway and gate;
- e. Raise funds for a training program to work on the site with potential partners; and
- f. Deconstruction training to preserve materials.

Phase II: Contamination Remediation, during months thirteen (13) through thirty-seven (37):

- a. Building 2: Former Department of Labor Building:
 - 1. Site contamination; fundraising grant resource identification and remediation:
 - 2. Phase A: Environmental testing; and
 - 3. Phase B: Clean up, electronic waste, and asbestos abatement.
- b. Building 1: Former Police Station:
 - 1. Site contamination – grant resource identification and remediation :
 - 2. Deconstruction development : Preparation of the site for construction, preservation, and clearing of the site; and

3. Establish short-term training programs for deconstruction and construction;
and
4. Identify Furniture and fixtures, equipment, supplies and cost increase.

Phase III: during months thirty-eight (38) through ninety-six (96):

Construction is projected at ninety-six (96) months depending on permits and approvals.

- a. Restoration/Reinforcement of existing structure;
- b. Construct new roofing and flooring;
- c. Installation of new iron gates;
- d. Construct courtyard/outdoor spaces;
- e. Installation of new fixtures, windows, doors, etc.;
- f. Painting and plastering of structure;
- g. Construct a new parking area; and
- h. Construction of landmark/welcome into Christiansted Town.

The improvements shall be completed no later than ninety-six (96) months after the Commencement Date of this Lease (“Construction Period”).

Lessee agrees to keep the said Premises and appurtenances as repaired, in a clean, sightly, and tenantable condition, and to return said Premises to Lessor upon the expiration or other termination of this Lease, in as goof condition as it was since the last repairs were made, less reasonable wear and tear from intervening use.

LIABILITY INSURANCE

Under the terms of the Lease, the Lessee agrees to:

- Keep in force a policy of public liability and property damage insurance with limits of not less than:
 - One Million Dollars (\$1,000,000.00) property damage,
 - One Million Dollars (\$1,000,000.00) for one person injured or killed, and
 - One Million Dollars (\$1,000,000.00) for any number of persons injured or killed in any one accident.
- All of the said insurance shall be in a form satisfactory to Lessor and shall provide that it shall not be subject to cancellation, termination, or change, except after thirty (30) days prior written notice to Lessor.

ADDITIONAL INFORMATION

Detail information on the following items can be found in the attached lease document:

Items	Page
• Improvements	3-6
• Mechanic’s Lien	6
• Insurance and Indemnity	6-7

Honorable Donna A. Frett-Gregory
Lease Agreement between Property & Procurement and Virgin Islands Centre for
Architecture, Crafts and Build Heritage, St. Croix, Inc. d/b/a Virgin Islands Architecture
Center for Built Heritage and Crafts
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- Entry by Lessor 8
- Condemnation 8-9
- Cancellation, Termination, Assignment, and Transfers 9-11
- General Terms and Conditions 11-15

EXECUTIVE BRANCH APPROVALS

Signee	Title	Department	Date of Signature
Lisa M. Alejandro	Acting Commissioner	Department of Property & Procurement	10/18/2023
Carol E. McDonald, Esq.	Assistant Attorney General	Department of Justice	10/20/2023
Honorable Albert Bryan Jr.	Governor	Office of the Governor	10/31/2023

CONCLUSION

The Department of Property and Procurement has entered into a lease agreement with Virgin Islands Centre for Architecture, Crafts and Build Heritage, St. Croix, Inc. d/b/a Virgin Islands Architecture Center for Built Heritage and Crafts. The purpose is to promote the common good, welfare, and education of the people of the United States Virgin Islands community on its heritage and cultural legacy. The terms and conditions of the Lease are consistent with other leases issued by the Department of Property and Procurement. Therefore, the Post Audit Division recommends approving this Lease between the Department of Property and Procurement and Virgin Islands Centre for Architecture, Crafts and Build Heritage, St. Croix, Inc. d/b/a Virgin Islands Architecture Center for Built Heritage and Crafts.

Post Auditor